

Message Text

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ACTION OES-07

INFO OCT-01 EUR-12 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 H-02 INR-10 INT-05 L-03
NSAE-00 NSC-05 OMB-01 PM-05 ICA-20 SP-02 SS-15
STR-07 TRSE-00 ACDA-12 IO-14 XMB-04 OPIC-06 /147 W
-----046499 261832Z /50

R 261808Z JUN 78
FM AMEMBASSY BONN
TO USDOE WASHDC
USDOE GERMANTOWN
INFO SECSTATE WASHDC 9696

UNCLAS SECTION 01 OF 02 BONN 11712

E.O. 11652: N/A
TAGS: ENRG, GW
SUBJECT: SSPS STAGE II OPTIONS

REF: VANDERRY/SELVAGE CONVERSATION OF 6/23/78

1. RESPONDING TO YOUR REQUEST FOR A CABLE ON OPTIONS
RE SSPS, THE FOLLOWING HAVE BEEN PREPARED. IN ADDITION,
SOME THOUGHTS HAVE BEEN PREPARED ON THE ISSUES FOR CON-
SIDERATION IN COMING TO A CONCLUSION REGARDING PRO-
CEEDING INTO STAGE II.

2. OPTIONS:

A. SUPPORT CONTINUATION OF BOTH SYSTEMS.

(1) BREADTH OF U.S. INDUSTRY INVOLVEMENT. THREE
MAJOR COMPANIES VS. TWO.

(2) INFORMATION FOR DOE-ET ON ANOTHER ADVANCE
TECHNICAL SYSTEM WITH MINIMUM U.S. INVESTMENT. PER-
FORMANCE ON SODIUM SYSTEM BY LATE 1980.
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(3) INCREASED ACCESS TO EUROPEAN TECHNOLOGY.
GLASS, VERY INTERESTING, TURBINE DESIGN HIGH EFFICIENCY
FOR SMALL SIZES, DIFFERENT COLLECTORS, DIFFERENT HEAT
TRANSFER DESIGN, ETC.

(4) BENEFIT SMALL COUNTRIES, IMPROVED INTERNATIONAL

RELATIONS, FULFILLS U.S., IEA CREATION OBJECTIVES.

(5) NEW TENDER ACTION CAN BE AVOIDED - GERMANY
DOESN'T WANT TO COMPETE CRS BUT WOULD FAVOR COMPETING
DCS. WE COULD TRADE TO A STAND OFF.

(6) MONEY NEEDED APPROX. \$2.5 MILLION FY 79,
\$3.0 MILLION FY 80, \$3.0 MILLION FY 81 AND \$0.6 MILLION
FY 82 FOR CONSTRUCTION, MANAGEMENT AND OPERATIONS FOR
TWO YEARS. SHOULD BE LESS BUT THAT'S LAST MONTH'S
GUESS WITH 25 PERCENT CONTINGENCY AND 6 PERCENT
INFLATION.

(7) PAY BACK - 40 PERCENT TOTAL CONSTRUCTION TO
U.S. FOR CRS AND 30 PERCENT OF CONSTRUCTION FOR DCS.

B. SUPPORT ONLY DCS SYSTEM.

(1) ACUREX ONLY U.S. COMPANY INVOLVED IN DESIGN -
(SUNDSTRAND SELLING A PACKAGE).

(2) ACUREX HAS AGREED TO LICENSE EUROPEAN
COMPANIES TO BUILD THEIR COLLECTOR - SO LESS RETURN TO
U.S.

(3) WITHOUT BARGAINING POSITION OF CRS AND DCS WE
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MAY BE FORCED TO COMPETE DCS SYSTEM BEFORE STAGE II. IT
APPEARS THERE WOULD BE STRONG PRESSURE TO HAVE THE
PRIME CONTRACTOR BE A GERMAN COMPANY.

(4) COUNTRIES WHO ARE INTERESTED IN CRS (SPAIN,
AUSTRIA, ITALY, BELGIUM, SWITZERLAND) WOULD BE VERY
UNHAPPY AND THIS ACTION MIGHT STRENGTHEN THEIR ALLIANCE
WITH GERMANY.

(5) NOT MUCH PROGRAMATIC DATA TO DOE-ET.
VERY LITTLE IS NEW FROM 150 KWE IRRIGATION PROJECT -
MAYBE NEW REFLECTOR SURFACE (GLASS FROM BELGIUM).

(6) MONEY NEEDED - DUE TO DISAPPOINTMENT BY
SEVERAL COUNTRIES AND POTENTIAL RESULTING ACTION TO
BUILD CRS WITHOUT U.S. - U.S. WOULD PROBABLY BE REQUIRED
TO CARRY 40 TO 45 PERCENT OF DCS COSTS, PLUS MANAGE-
MENT AND OPERATIONS COSTS - SO - IF \$10 MILLION REQUIRED
\$4.5 MILLION TO U.S., ITS APPROXIMATELY \$1.5 MILLION
FY 79, \$2.5 MILLION FY 80 AND \$0.5 MILLION FY 81 PLUS
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\$0.25 MILLION FOR OPERATION IN FY 81 AND FY 82.

(7) PAY BACK TO U.S. INDUSTRY - WITH AGREE-
MENT ACUREX HAS MADE REGARDING INVOLVEMENT OF A COMPANY
IN EVERY COUNTRY TO ASSURE PAYBACK TO THOSE COUNTRIES,
LESS THAT 30 PERCENT WOULD FLOW BACK TO ACUREX AND
SUNDSTRAND BECAUSE OF MANAGEMENT AND OPERATION COAT.
SO RETURN WOULD BE LESS THAN \$3.5 MILLION IN RETAINED
CONTRACT DOLLARS.
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